

COURT FILE NUMBER

2301 – 07899

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

SAGE PROPERTY DEVELOPMENT

RESPONDENT

MERMAC CONSTRUCTION LTD.

DOCUMENT

**FIRST REPORT OF THE TRUSTEE OF
MERMAC CONSTRUCTION LTD.**

DATED SEPTEMBER 18, 2023

**PREPARED BY HUDSON & COMPANY
INSOLVENCY TRUSTEES INC.**

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

TRUSTEE:
Hudson & Company Insolvency Trustees Inc.
Attention: Stefan DuChene
200, 625 - 11th Avenue SW
Calgary, Alberta T2R 0E1
Ph. (403) 984-9553
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LEGAL COUNSEL:
Dentons Canada LLP
Attention: Derek Pontin
Bankers Court, 15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
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INTRODUCTION AND BACKGROUND

Introduction

1. Mermac Construction Ltd. (hereinafter referred to as “**Mermac**” or the “**Company**”) filed a voluntary assignment into bankruptcy pursuant to Section 49(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) on June 14, 2023 (the “**Date of Bankruptcy**”) with Hudson & Company Insolvency Trustees Inc. (“**Hudson**”) appointed as Licensed Insolvency Trustee (“**Trustee**”).
2. Mermac was in the construction industry and last operated from leased premises located at 4799 – 68 Avenue SW, in Calgary Alberta.
3. The first meeting of creditors was held by teleconference on June 27, 2023 at 2PM. At this meeting, Trevor Bauer from the BMO Bank of Montreal was appointed as estate inspector. With the approval of the estate inspector, Dentons Canada LLP (“**Dentons**”) was retained by the Trustee as its independent legal counsel.
4. The purpose of this First Report of the Trustee is to provide further information in response to the application filed and served by Sage Property Development Inc. (“**Sage**”), initially scheduled to be heard on September 8, 2023 and adjourned once to September 19, 2023.

Background

5. Prior to the Date of Bankruptcy, Mermac operated as general contractor on several projects in Calgary, including a project called The Rise in Sage Hill. The owner of this project is Sage.
6. Prior to the Date of Bankruptcy, Mermac registered a lien on the Sage project in the amount of \$1,055,610.31, inclusive of GST, hereinafter referred to as the **First Lien**. A copy of the First Lien and the underlying invoices are attached as **Appendix A**.
7. Following the Date of Bankruptcy, the Trustee identified further invoices for work performed by Mermac, that were unpaid by Sage, and registered a further lien on the Sage project in the amount of \$997,320.29, inclusive of GST, hereinafter referred to as the **Second Lien**. A copy

of the Second Lien and the underlying invoices are attached as **Appendix B**.

8. The total of the First Lien and the Second Lien is \$2,052,930.60, inclusive of GST. These liens were registered on basis of information available to the Trustee at the time, and in view of pressing timelines. The Trustee continues to receive ongoing information, assisting in its refinement of the actual amount owing by Sage to Mermac under the liens.
9. According to Mermac's invoice 4754, Mermac has holdbacks of approximately \$791,416.70 (the "**Holdback**") for work performed on the Sage site. This amount is based on 10% of the progress completed to date by Mermac on the Sage site as of May 31, 2023.
10. The total of the First Lien and the Second Lien, at face value, plus the Holdback, is \$2,844,347.30 (the "**Aggregate Mermac Claim**"). This is subject to the Trustee's ongoing review for redundancies and appropriate offsets.
11. In that regard, Mermac had previously issued invoices to Sage for portions of the Holdback, specifically invoice 4676 in the amount of \$118,243.22 and invoice 4733 in the amount of \$91,901.35, which together total \$210,144.57, inclusive of GST. As this amount was partially invoiced by Mermac for holdback amounts, this reduces the Aggregate Mermac Claim to \$2,634,202.73.
12. Further, the Trustee notes that invoice 4567 in the amount of \$135,943.03 is in relation to a holdback for roadwork completed off-site in 2021. Given the timing of when that roadwork was completed, this holdback invoice appears to be outside the applicable lien period. The balance of \$135,943.03 remains owing by Sage to Mermac, but appears that it would not comprise a part of the Aggregate Mermac Claim, for purposes of establishing the applicable lien fund. Accordingly, this further reduces the lienable amount owing by Sage to Mermac to \$2,498,259.70.
13. The Trustee is aware of other builders liens and construction registered on the Sage property, several of which are known to be Mermac's subtrades. As of August 31, 2023, the total of these other liens is understood to be \$875,528.52. There appears to be a builder's lien registered

on title on June 12, 2023 but there is no name or other information on the land title to clarify the lienholder details. As of August 31, 2023 these other liens are summarized in the table below:

#	Lienholder Name	Amount	Registration Date
1	Kerrige Concrete Ltd.	1,171.28	June 13, 2023
2	King Electrical Services Ltd.	96,624.88	June 21, 2023
3	Grayframe Ltd.	21,925.59	June 23, 2023
4	Triumph Inc.	202,291.43	June 28, 2023
5	Dragon Excavating Ltd.	39,965.21	July 21, 2023
6	1400188 Alberta Ltd. o/a D&T Plumbing	219,539.53	July 26, 2023
7	Southway Equipment Rentals Ltd.	36,452.60	July 27, 2023
8	Shaw Steel Services Ltd.	63,378.00	August 21, 2023
9	Paragon Ventilation (Calgary) Ltd.	194,180.00	August 21, 2023
		<u>875,528.52</u>	

14. The Trustee has reviewed the underlying detail of liens #1 to #7, and #9. The Trustee has been in communication with legal counsel representing Shaw Steel Services Ltd. and requested details of the lien #8, but such information has not been received. The Trustee has accordingly not yet assessed whether the Shaw Steel lien is subsumed within the First Lien or the Second Lien, or if Shaw Steel Services Ltd. is a sub-trade of Mermac or another party altogether. This review remains ongoing.
15. Regarding the lien claim of Paragon Ventilation (Calgary) Ltd., the Trustee understands that a significant portion of this lien amount of \$194,180.00 is also reflected in the lien amount claimed by 1400188 Alberta Ltd., as the Trustee understands that Paragon was a sub-trade retained by 1400188 Alberta Ltd., so it appears there is likely redundancy in those amounts. This analysis is ongoing.
16. The Trustee also notes both the Shaw Steel Services Ltd. lien of \$63,678.00 and the Paragon Ventilation (Calgary) Ltd. lien of \$194,180.00 were filed 68 days after the Date of Bankruptcy. The Trustee makes no opinion of validity of those liens as security against the Sage project; however, it may be that those liens were registered out of time. The Trustee's analysis and

review, to the extent these matters impact the Mermac estate, is ongoing.

17. On balance, it seems likely, but is not yet confirmed, that the majority of liens #1 to #9 would be amounts subsumed within the Aggregate Mermac Claim, rather than added to it.
18. The Trustee reviewed an updated land title of the project on September 15, 2023. In addition to the nine liens shown above, three additional liens and one mortgage have been registered. The Trustee has communicated with each of the three additional lien holders and is reviewing their underlying claims. At this time, the Trustee is unable to fully assess whether these claims would be subsumed within either the Mermac First Lien or Second Lien. The Trustee does note that these three additional liens were all registered on title on or after September 1, 2023, 79 days after the Date of Bankruptcy. The Trustee makes no opinion of validity of these three additional liens as security against the Sage project; however, it may be that those liens were registered out of time.

Turner & Townsend Quantity Surveyor Report

19. The application materials provided by Sage refer to report #9 prepared by Turner & Townsend (“T&T”), the quantity surveyor hired by Sage’s lender. The T&T report #9 calculates the holdback requirement to be \$727,801. This amount is not substantially different as compared to Mermac’s calculation of the holdback noted above of \$791,416.70.
20. The Trustee requested and has received the prior T&T Reports. In the T&T report #8, dated April 6, 2023, it specifies construction costs at February 28, 2023. On page 45 of this T&T report #8, the total project costs for Mermac are \$6,724,936, and this includes change orders totalling \$491,928. It is important to note that these balances at February 28, 2023 match Mermac’s records, as shown in the table below:

	Amount	Mermac Invoice
Mermac Progress 17	6,233,007.40	4730
Mermac Invoice - Change order #1	491,928.14	4724
	<u>6,724,935.54</u>	

21. During the period of March 1, 2023 to May 31, 2023, Mermac issued three progress invoices to Sage totaling \$1,513,044.02 plus GST, specifically invoices 4736, 4748 and 4754. Mermac also issued invoices to Sage for change orders during this same period.
22. In reviewing the T&T report #9 dated July 31, 2023, it specifies construction costs at May 31, 2023 of \$7,284,889, and this includes change orders with a cumulative total of \$567,481.
23. According to the T&T report #9, T&T appears to note that construction work valued at only \$559,963 (including change orders) was performed by Mermac or its subtrades during the period of March 1 to May 31, 2023. This is substantially less than the total of the Mermac progress invoices during this same period.
24. In discussing the Mermac invoicing process with former Mermac employees, the Trustee understands that Mermac would receive and review invoices from sub-trades, and such invoices, with minimal gross-ups to account for Mermac's general contractor work, would form the basis of Mermac's billings. Draft billings would then be sent from Mermac to T&T and to the project owner and after adjustments were agreed to, Mermac would raise its progress and change-order invoices. Accordingly, it is unclear why T&T did not include all three of the progress invoice amounts totaling \$1,513,044.02 (plus GST) in calculating the total project costs of Mermac at May 31, 2023.
25. In reviewing the Mermac issued change orders, Mermac issued five change orders to Sage to date, copies of which are shown in **Appendix C**, as summarized in the table below:

		Invoice (excl. GST)	Paid (excl. GST)	Outstanding (excl. GST)
1	Change order #1	491,928.14	491,928.14	-
2	Change order #2	35,718.39	35,718.39	-
3	Change order #3	91,148.19	81,725.39	9,422.80
4	Change order #4	27,545.29	-	27,545.29
5	Change order #5	75,552.75	-	75,552.75
		<u>721,892.76</u>	<u>609,371.92</u>	<u>112,520.84</u>

26. Only change order #1 and #5 have been included in the T&T reports. Change order #1 was

included in T&T report #8, and both change order #1 and # 5, which total \$567,480.89, were included in the T&T report #9.

27. It is unclear why T&T did not include change orders #2, 3 or 4 in their calculation of the total project costs of Mermac at May 31, 2023, even considering that Sage has paid Mermac a portion of change orders #2 and #3. The Trustee notes that the T&T Report is a financing tool for the project lender to understand its costs, rather than a quantification of actual work completed by Mermac.
28. On a preliminary basis, the T&T total project cost for Mermac at May 31, 2023 is understated at least by the total of change orders #2, 3 and 4, which is approximately \$155,000 plus GST. On page 11 of the T&T report #9, T&T states that "*the Borrower's Project Manager has struggled to manage the project throughout the issues noted above.*" Perhaps the Sage project manager has missed not only certain change orders but also certain progress cost invoices issued by Mermac to Sage. The Trustee has insufficient information to reconcile the large delta between Mermac's invoicing and the project lender's cost report.
29. The Trustee has reviewed the affidavit of Sunil Sharma filed September 1, 2023, and notes Sage's position that there are set-off costs of \$399,056 as a result of a new general contractor taking over the role previously held by Mermac. The Trustee recognizes that these set-off costs, when properly quantified and assessed for legal merit, may reduce the amount owing by Sage to Mermac. The validity and extent of any such set off has not yet been assessed by the Trustee. If assumed to be a valid set-off (which the Trustee is not in a position to confirm at this time), this would reduce the Mermac Aggregate Claim to \$2,099,203, which is very close to the combined total of the Mermac First Lien and Mermac Second Lien.

SUMMARY

30. Based on Mermac's records, the Trustee understands that Mermac is owed \$2,498,259.70 by Sage for lienable work, composed of the below noted work invoices and holdbacks:

Mermac First Lien	1,055,610.31
Mermac Second Lien	<u>997,320.29</u>
	2,052,930.60
Holdback - Mermac	<u>791,416.70</u>
Subtotal	2,844,347.30
Less: Holdbacks (Inv. 4676, 4733)	(210,144.57)
Less: Invoice 4567 - Roadwork	<u>(135,943.03)</u>
Net	<u>2,498,259.70</u>

31. In addition to the above lienable amount, the Trustee understands that Invoice 4567 in the amount of \$135,943.03 remains outstanding relating to road work completed on the Sage site. This amount has been outstanding since early 2022.
32. The Trustee is aware of the other liens filed, but its analysis of whether all of these lien claims totalling \$875,828.52, in addition to those lien claims registered in September 2023, are subsumed within the Mermac liens is not complete, and additional information is forthcoming to the Trustee in order for this work to be completed. However, the Trustee understands that the 1400188 lien covers a substantial portion, if not all, of the Paragon lien claim and accordingly, the true valid amount of sub-contractor claims is expected to be less than the total liens of \$875,828.52. This analysis does not consider the lien claims registered in September 2023 and this analysis is ongoing.
33. In conclusion, based on the analysis above, a payment into Court or into trust, to stand as security for existing lien claims, cannot be less than the face value of the Mermac First Lien and Mermac Second Lien, as those amounts appear to be due and owing and properly registered as lien security within the applicable time. Additional amounts may need to be paid into Court or into trust, as the Trustee has not yet been able to confirm all other liens on title have been or will be subsumed within the Mermac Liens. The Trustee has made best efforts to determine this information, but delays in obtaining third-party information have slowed that analysis.

34. The Trustee is of the opinion that the proposed amount of \$1,691,609.96 plus GST to be paid into Court as security to remove the liens, which amount is approximately \$277,000 less than the face amount of the Mermac Liens (let alone the total of the Mermac Liens plus all other liens registered and pending) is respectfully insufficient.
35. The Trustee is of the opinion that the amount stated in the T&T report #9 is not a reasonable basis for setting the lien fund, at this stage, given its lack of clarity and clear inconsistencies with the Mermac progress invoices, Mermac change orders, and Mermac holdback calculation.

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.

In its capacity as Licensed Insolvency Trustee of
the bankruptcy estate of Mermac Construction Ltd.
and not in its personal capacity



Stefan DuChene, CPA, CA, CIRP
President

Appendix A

STATEMENT OF LIEN

MERMAC CONSTRUCTION LTD. of 4799 – 68 Avenue SE, Calgary, AB T2C 5C1, claims a lien under the *Builders' Lien Act / Prompt Payment and Construction Lien Act* in the fee simple estate or interest of:

SAGE PROPERTY DEVELOPMENT INC.
of 594 SADDLECREEK WAY NE
CALGARY
ALBERTA T3J 4A4

in the following lands:

PLAN 2111229
BLOCK 7
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.213 HECTARES (5.47 ACRES) MORE OR LESS

The Lien is claimed in respect of the following work or materials, that is to say:

supply and installation of labour, materials and related site services for the construction of an industrial condominium building

which work was or is to be done for or which materials were or are to be furnished for:

SAGE PROPERTY DEVELOPMENT INC.
594 SADDLECREEK WAY NE
CALGARY, ALBERTA T3J 4A4

(please check the appropriate box):

- The work was completed or the materials were last furnished - OR -
 The work is not yet completed or the materials have not yet all been furnished.

The sum claimed as due or to become due is \$1,055,610.31 including interest and all applicable taxes plus costs.

The address for service of the lienholder is: **MERMAC CONSTRUCTION LTD.**, c/o Field Law 400, 444 – 7th Avenue SW, Calgary, Alberta T2P 0X8 Attention: Todd W. Kathol

DATED at the City of Calgary,)
in the Province of Alberta this)
1 day of June, 2023.)

Per: _____

Kevin Robinson, Agent for the Lienholder
Vice President of Construction, Mermac Construction Ltd.

**AFFIDAVIT VERIFYING CLAIM
BY OTHER THAN LIENHOLDER**

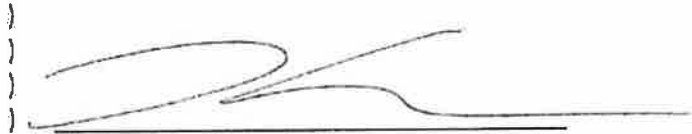
I, Kevin Robinson, of the City of Calgary, in the Province of Alberta, make oath and say:

1. That I am agent of MERMAC CONSTRUCTION LTD. named in the above (or annexed) statement and have full knowledge of the facts set forth in the above (or annexed) statement.
2. That the said claim is true.

SWORN BEFORE ME at the City of Calgary in
the Province of Alberta this 1 day of June,
2023.



A Commissioner for Oaths in and for Alberta



Kevin Robinson

**A Commissioner for Oaths
in and for the Province of Alberta
At Will
TODD W. KATHOL**

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

STATEMENT

Statement Date
05/30/2023

PLEASE RETURN THIS PORTION WITH
YOUR PAYMENT

Statement Date
05/30/2023

Sage Property Development Inc. (ONSITE)

Sage Property Development Inc. (ONSITE)

594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

IF PAYING BY INVOICE, CHECK
INDIVIDUAL INVOICES PAID

AMOUNT REMITTED _____

Page: 1

Transaction Date	Transaction No.	Transaction Type	Amount	Balance	Invoice No.	Amount Due	✓
06/21/2021	4471	Bill	300,000.00				
06/24/2021	Chq. 001093	Payment	-300,000.00	0.00	4471	0.00	
09/30/2021	4510	Bill	481,533.50				
11/10/2021	Chq. 001844	Payment	-481,533.50	0.00	4510	0.00	
10/01/2021	4514	Bill	262,210.73				
12/08/2021	Apply-CN-9-Dec. 8	Payment	-262,210.73	0.00	4514	0.00	
10/29/2021	4525	Bill	322,447.72				
12/07/2021	Chq. 001389	Payment	-322,447.72	0.00	4525	0.00	
11/01/2021	CN-9	Credit Note	-262,210.73				
12/08/2021	Apply-CN-9-Dec. 8	Payment	262,210.73	0.00	CN-9	0.00	
11/30/2021	4532	Bill	893,526.41				
01/06/2022	Chq. 001422	Payment	-520,000.00				
01/06/2022	Chq. 000203	Payment	-123,801.91				
01/06/2022	Apply-Deposits	Payment	-249,724.50	0.00	4532	0.00	
12/07/2021	Steel Deposit-4532	Deposit	-200,000.00				
01/06/2022	Apply-Deposits	Applied	200,000.00	0.00	Steel Deposit-4532	0.00	
12/09/2021	Steel Dep=4532	Deposit	-49,724.50				
01/06/2022	Apply-Deposits	Applied	49,724.50	0.00	Steel Dep=4532	0.00	
12/31/2021	4552	Bill	144,272.19				
02/03/2022	Chq. 000217	Payment	-144,272.19	0.00	4552	0.00	
12/31/2021	4553	Bill	6,320.60				
02/03/2022	Chq. 000213	Payment	-6,320.60	0.00	4553	0.00	
01/31/2022	4585	Bill	81,808.09				
03/08/2022	Chq. 000224	Payment	-81,808.09	0.00	4585	0.00	
01/31/2022	4589	Bill	12,266.14				
03/08/2022	Chq. 000225	Payment	-12,266.14	0.00	4589	0.00	
02/28/2022	4594	Bill	225,908.03				
04/04/2022	Chq. 001559	Payment	-225,908.03	0.00	4594	0.00	
02/28/2022	4595	Bill	22,144.19				
04/04/2022	Chq. 001558	Payment	-22,144.19	0.00	4595	0.00	
03/29/2022	4605	Bill	10,212.46				
07/08/2022	Chq. 001779	Payment	-3,830.07				
07/14/2022	Chq. 000258	Payment	-6,382.39				
			Continued...		Continued...		

MERMAC Construction Ltd.
 4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

STATEMENT

Statement Date
05/30/2023

PLEASE RETURN THIS PORTION WITH
 YOUR PAYMENT

Statement Date
05/30/2023

Sage Property Development Inc. (ONSITE)

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

IF PAYING BY INVOICE, CHECK
 INDIVIDUAL INVOICES PAID

AMOUNT REMITTED _____

Page: 2

Transaction Date	Transaction No.	Transaction Type	Amount	Balance	Invoice No.	Amount Due	✓
04/29/2022	4620	Bill	183,830.07	0.00	4605	0.00	
07/08/2022	Chq. 001779	Payment	-120,000.00				
12/31/2022	Apply-CN-25	Payment	-63,830.07	0.00	4620	0.00	
05/31/2022	4634	Bill	145,006.87				
07/08/2022	Chq. 001779	Payment	-145,006.87	0.00	4634	0.00	
06/30/2022	4642	Bill	2,851.00				
08/19/2022	Chq. 001885	Payment	-2,851.00	0.00	4642	0.00	
06/30/2022	4643	Bill	378,192.52				
08/19/2022	Chq. 001885	Payment	-378,192.52	0.00	4643	0.00	
07/29/2022	4658	Bill	853.17				
09/19/2022	Chq. 001948	Payment	-853.17	0.00	4658	0.00	
07/29/2022	4659	Bill	12,548.68				
09/20/2022	Chq. 001952	Payment	-12,548.68	0.00	4659	0.00	
07/29/2022	4660	Bill	3,469.35				
09/19/2022	Chq. 001948	Payment	-3,195.23				
09/20/2022	Chq. 001952	Payment	-274.12	0.00	4660	0.00	
07/31/2022	4652	Bill	230,637.01				
09/19/2022	Chq. 001948	Payment	-230,637.01	0.00	4652	0.00	
08/31/2022	4666	Bill	234,685.41				
10/13/2022	Chq. 001966	Payment	-234,685.41	0.00	4666	0.00	
08/31/2022	4676	Bill		118,243.22	4676	118,243.22	
09/30/2022	4677	Bill	710,021.94				
11/29/2022	Chq. 002059	Payment	-710,021.94	0.00	4677	0.00	
09/30/2022	4680	Bill	56,445.13				
12/06/2022	Chq. 002063	Payment	-56,445.13	0.00	4680	0.00	
10/31/2022	4687	Bill	411,599.60				
01/16/2023	Chq. 002115	Payment	-411,599.60	0.00	4687	0.00	
10/31/2022	4689	Bill	86,679.02				
01/16/2023	Chq. 002114	Payment	-86,679.02	0.00	4689	0.00	
11/30/2022	4693	Bill	53,262.88				
01/16/2023	Chq. 002117	Payment	-53,262.88	0.00	4693	0.00	
11/30/2022	4694	Bill	207,058.56				
			Continued...		Continued...		

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

STATEMENT

Statement Date
05/30/2023

PLEASE RETURN THIS PORTION WITH
 YOUR PAYMENT

Statement Date
05/30/2023

Sage Property Development Inc. (ONSITE)

Sage Property Development Inc. (ONSITE)

594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

IF PAYING BY INVOICE, CHECK
 INDIVIDUAL INVOICES PAID

AMOUNT REMITTED _____

Page: 3

Transaction Date	Transaction No.	Transaction Type	Amount	Balance	Invoice No.	Amount Due	✓
01/16/2023	Chq. 002116	Payment	-207,058.56	0.00	4694	0.00	
11/30/2022	4695	Bill	20,525.81				
01/24/2023	Chq. 002123	Payment	-20,525.81	0.00	4695	0.00	
12/30/2022	4702	Bill	114,221.65				
03/13/2023	Chq. 002231	Payment	-114,221.65	0.00	4702	0.00	
12/30/2022	4703	Bill	16,978.50				
03/09/2023	Chq. 002221	Payment	-16,978.50	0.00	4703	0.00	
12/30/2022	4707	Bill	383,292.90				
02/21/2023	Chq. 002165	Payment	-200,000.00				
03/09/2023	Chq. 002218	Payment	-71,311.91				
03/13/2023	Chq. 002229	Payment	-11,198.11				
04/04/2023	Apply-CN27	Payment	-100,782.88	0.00	4707	0.00	
12/31/2022	CN-25	Credit Note	-63,830.07				
12/31/2022	Apply-CN-25	Payment	63,830.07	0.00	CN-25	0.00	
01/24/2023	Over Payment	Deposit		-0.07	Over Payment	-0.07	
01/31/2023	4713	Bill	43,447.54				
03/09/2023	Chq. 002220	Payment	-43,447.54	0.00	4713	0.00	
01/31/2023	4714	Bill	2,701.12				
03/09/2023	Chq. 002222	Payment	-2,701.12	0.00	4714	0.00	
01/31/2023	4717	Bill	232,313.95				
03/09/2023	Chq. 002219	Payment	-176,323.44				
03/13/2023	Chq. 002230	Payment	-5,599.06				
04/04/2023	Apply-CN28	Payment	-50,391.45	0.00	4717	0.00	
02/01/2023	CN-27	Credit Note	-100,782.88				
04/04/2023	Apply-CN27	Payment	100,782.88	0.00	CN-27	0.00	
02/01/2023	CN-28	Credit Note	-50,391.45				
04/04/2023	Apply-CN28	Payment	50,391.45	0.00	CN-28	0.00	
02/28/2023	4724	Bill	91,802.75				
04/24/2023	Chq. 002280	Payment	-91,802.75	0.00	4724	0.00	
02/28/2023	4726	Bill	85,811.66				
04/24/2023	Chq. 002279	Payment	-85,811.66	0.00	4726	0.00	
02/28/2023	4730	Bill	475,231.58				
04/18/2023	Chq. 02274	Payment	-475,231.58	0.00	4730	0.00	
			Continued...		Continued...		

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

STATEMENT

Statement Date
05/30/2023

PLEASE RETURN THIS PORTION WITH
 YOUR PAYMENT

Sage Property Development Inc. (ONSITE)

Statement Date
05/30/2023

Sage Property Development Inc. (ONSITE)

594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

IF PAYING BY INVOICE, CHECK
 INDIVIDUAL INVOICES PAID

AMOUNT REMITTED _____

Page: 4

Transaction Date	Transaction No.	Transaction Type	Amount	Balance	Invoice No.	Amount Due	✓								
02/28/2023	4733	Bill		91,901.35	4733	91,901.35									
03/31/2023	4735	Bill		8,656.35	4735	8,656.35									
03/31/2023	4736	Bill		271,751.90	4736	271,751.90									
04/28/2023	4742	Bill		1,237.59	4742	1,237.59									
04/28/2023	4743	Bill		23,255.16	4743	23,255.16									
04/28/2023	4748	Bill		540,564.81	4748	540,564.81									
<table border="0"> <tr> <td>Age</td> <td>Current</td> <td>31-60</td> <td>Over 60</td> </tr> <tr> <td>Amount</td> <td>0.00</td> <td>845,465.81</td> <td>210,144.50</td> </tr> </table>				Age	Current	31-60	Over 60	Amount	0.00	845,465.81	210,144.50	Total			
Age	Current	31-60	Over 60												
Amount	0.00	845,465.81	210,144.50												
				1,055,610.31	< Balance Due >	1,055,610.31									

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4676

08/31/2022

1 of 2

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

To Invoice for Progressive Holdback on Following:

Building A		
Division 3 Concrete - \$133,558.54 x 10% (Complete Nov/21)	G	13,355.85
Division 5 Metals - \$162,043.48 x 10% (Complete July/22)	G	16,204.35
Building B		
Division 3 Concrete - \$185,011.63 x 10% (Complete Dec/21)	G	18,501.16
Division 5 Metals - \$235,698,.96 x 10% (Complete July/22)	G	23,569.90
Building H		
Division 3 Concrete - \$175,689.64 x 10% (Complete July/22)	G	17,568.96
Building J		
Division 3 Concrete - \$112,191.54 x 10% (Complete May/22)	G	11,219.15

Continued...

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4676

08/31/2022

2 of 2

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Division 5 Metals - \$121,932.12 x 10% (Complete July/22) G
Subtotal:

12,193.21

112,612.58

G - GST 5.00%
GST

5,630.64

MERMAC Construction Ltd. GST: #10364 2872 RT

118,243.22

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4733

02/28/2023

1 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

To Invoice for Progressive Holdback on the Following
Items:

Building C

Division 3 - Concrete - \$132,790.69 x 10%	G	13,279.07
(Complete Nov/22)		
Division 5 - Metals - \$141,980.78 x 10% (Complete Nov/22)	G	14,198.08

Building G

Division 3 - Concrete - \$119,702.14 x 10%	G	11,970.21
(Complete Sept/22)		
Division 5 - Metals - \$181,532.24 x 10% (Complete Nov/22)	G	18,153.22

Building H

Division 5 - Metals - \$299,245.22 x 10% (Complete Oct/22)	G	29,924.52
Subtotal:		87,525.10

G - GST 5.00%

Continued...

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4733

02/28/2023

2 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

GST

4,376.25

Terms: Net 30. Due 03/30/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

91,901.35

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4735

03/31/2023

1 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Invoice for Change Order Tracking Sheet No. 3 -	G	89,969.53
Spreadsheet Attached		
Less Previously Invoiced	G	-81,725.39
Subtotal:		8,244.14
G - GST 5.00%		
GST		412.21

Terms: Net 30. Due 04/30/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

8,656.35

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4736

03/31/2023

1 of 2

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Progress to Date - Progress No. 18	G	6,520,575.55
Less Progress No. 1 (Inv. 4510 Includes Deposit Received)	G	-744,317.62
Less Progress No. 2-Revised (Inv. 4525)	G	-307,093.06
Less Progress No. 3 (Inv. 4532)	G	-850,977.53
Less Progress No. 4 (Inv. 4552)	G	-137,402.09
Less Progress No. 5 (Inv. 4585)	G	-77,912.47
Less Progress No. 6 (Inv. 4594)	G	-215,150.50
Less Progress No. 7 (Inv. 4620)	G	-175,076.25
Less Progress No. 8 (Inv. 4634)	G	-138,101.77
Less Progress No. 9 (Inv. 4643)	G	-360,183.35
Less Progress No. 10 (Inv.4652)	G	-219,654.29
Less Progress No. 11 (Inv. 4666)	G	-223,509.91
Less Progressive Holdback (Inv. 4676)	G	-112,612.58
Less Progress No. 12 (Inv. 4677)	G	-676,211.37
Less Progress No. 13 (Inv. 4687)	G	-391,999.62
Less Progress No. 14 (Inv. 4694)	G	-197,198.64
Less Progress No. 15 (Inv. 4707)-GC's Adjusted for QS Cutback	G	-269,057.16

Continued...

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4736

03/31/2023

2 of 2

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Less Progress No. 16 (Inv. 4707)-GC's Adjusted for QS Cutback	G	-173,259.52
Less Progress No. 17-Revised (Inv. 4730)	G	-452,601.51
Less Progressive Holdback (Inv. 4733)	G	-87,525.10
Less 10% Holdback on \$4,519,198.68	G	-451,919.87
Subtotal:		258,811.34
G - GST 5.00%		
GST		12,940.56

Terms: Net 30. Due 04/30/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

271,751.90

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4742

04/28/2023

1 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Invoice for Change Order Tracking Sheet No. 3 - Spreadsheet Attached	G	91,148.19
Less Previously Invoiced	G	-89,969.53
Subtotal:		1,178.66
G - GST 5.00%		
GST		58.93

Terms: Net 30. Due 05/28/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

1,237.59

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4743

04/28/2023

1 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Invoice for Change Order Tracking Sheet No. 4 -	G	22,147.77
Spreadsheet Attached		
Subtotal:		22,147.77
G - GST 5.00%		
GST		1,107.39

Terms: Net 30. Due 05/28/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

23,255.16

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4748

04/28/2023

1 of 2

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Progress to Date - Progress No. 19	G	7,092,601.80
Less Progress No. 1 (Inv. 4510 Includes Deposit Received)	G	-744,317.62
Less Progress No. 2-Revised (Inv. 4525)	G	-307,093.06
Less Progress No. 3 (Inv. 4532)	G	-850,977.53
Less Progress No. 4 (Inv. 4552)	G	-137,402.09
Less Progress No. 5 (Inv. 4585)	G	-77,912.47
Less Progress No. 6 (Inv. 4594)	G	-215,150.50
Less Progress No. 7 (Inv. 4620)	G	-175,076.25
Less Progress No. 8 (Inv. 4634)	G	-138,101.77
Less Progress No. 9 (Inv. 4643)	G	-360,183.35
Less Progress No. 10 (Inv. 4652)	G	-219,654.29
Less Progress No. 11 (Inv. 4666)	G	-223,509.91
Less Progressive Holdback (Inv. 4676)	G	-112,612.58
Less Progress No. 12 (Inv. 4677)	G	-676,211.37
Less Progress No. 13 (Inv. 4687)	G	-391,999.62
Less Progress No. 14 (Inv. 4694)	G	-197,198.64
Less Progress No. 15 (Inv. 4707) GC's Adjusted for QS Cutback	G	-269,057.16

Continued...

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4748

04/28/2023

2 of 2

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Less Progress No. 16 (Inv. 4717) GC's Adjusted for QS Cutback	G	-173,259.52
Less Progress No. 17-Revised (Inv. 4730)	G	-452,601.51
Less Progressive Holdback (Inv. 4733)	G	-87,525.10
Less Progress No. 18 (Inv. 4736)	G	-258,811.34
Less 10% Holdback on \$5,091,224.82	G	-509,122.48
Subtotal:		514,823.64
G - GST 5.00%		
GST		25,741.17

Terms: Net 30. Due 05/28/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

540,564.81

Sold By: Robinson, Michael

Appendix B

Government of Alberta

Land Titles

BUL -1
FORM A
Statement of Lien

Lienholder: Mermac Construction Ltd.

Address: 200, 625-11th Avenue SW

Calgary, AB T2R 0E1

claims a Lien under the *Builders' Lien Act*, RSA 2000, c B-7 and the *Prompt Payment and Construction Lien Act*, RSA 2000, c P-26.4 in the fee simple interest held by: Sage Property Development Inc.

Address: 594 Saddlecreek Way NE

Calgary, AB T3J 4A4

In the following land:

PLAN 2111229

BLOCK 7

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 2.213 HECTARES (5.47 ACRES) MORE OR LESS

(Linc: 0038 908 265)

The Lien is claimed in respect of the following work or materials:

Supply and installation of all labour, materials, equipment and related site services for the construction of an industrial condominium building.

which work or materials were or are to be provided for:

Sage Property Development Inc.

Address: 594 Saddlecreek Way NE

Calgary, AB T3J 4A4



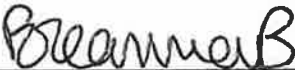
a) The work was completed or the materials were last furnished:

on May 31, 2023.

- OR -

<input type="checkbox"/>	b) The work is not yet completed or all the materials have not yet been furnished.
The sum claimed as due or to become due is \$997,320.29 inclusive of GST plus additional amounts for interest and costs.	
The address for service of the Lienholder in the Province of Alberta is: Dentons Canada LLP Barristers and Solicitors 850 - 2nd Street SW 15th Floor, Bankers Court Calgary, Alberta T2P 0R8 Canada Attention: Derek Pontin	

this 13 day of July, 2023



**Hudson & Company Insolvency Trustees
Inc., in its capacity as bankruptcy trustee of
Mermac Construction Ltd.**

at Calgary, Alberta.

FORM 4
(Section 34(6) and (7))

AFFIDAVIT VERIFYING CLAIM BY OTHER THAN LIENHOLDER

I, Breanna Burkard-Smith, of the City of Calgary, in the Province of Alberta, make oath and say:

- (1) That I am a Licensed Insolvency Trustee with Hudson & Company Insolvency Trustees Inc., the insolvency trustee of Mermac Construction Ltd. named in the above statement, and I am informed by Mermac Construction Ltd. and believe that the facts are as set forth in the above statement.
- (2) That I believe that the said claim is true.

SWORN BEFORE ME at the City of Calgary
in the Province of Alberta, this 13
day of July, 2023.

)
)
)
)

Breanna Burkard-Smith



A Commissioner for Oaths
in and for the Province of Alberta

DEREK PONTIN
Barrister and Solicitor

MERMAC Construction

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4567
 Date: 12/31/2021
 Ship Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (OFFSITE-211)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (OFFSITE-211)
 Road Works
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Road

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	To Invoice for Progressive Holdback on Work Completed to Date \$1,294,695.51 x 10%	G		129,469.55
	Subtotal:			129,469.55
	G - GST 5.00%			6,473.48
	GST			
MERMAC Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	135,943.03
Comment:			Amount Paid	0.00
Sold By:			Amount Owing	135,943.03

POSTED
 15987

MERMAC Construction Ltd.

4709 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4752
 Date: 05/31/2023
 Ship Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Invoice for Change Order Tracking Sheet No. 4 - Spreadsheet Attached	G		27,545.29
	Less Previously Invoiced	G		-22,147.77
	Subtotal:			5,397.52
	G - GST 5.00%			269.87
	GST			
MERMACH Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	5,667.39
Terms: Net 30. Due 06/30/2023.			Amount Paid	0.00
Comment:			Amount Owning	5,667.39
Sold By:				



Change Order Tracking Sheet - No. 4
Sage Hill Commons
 3650 Sage Hill Drive. N.W.
 Calgary, AB

	Change Order Amount	% Complete	Progress to Date	Previous Progress	This Progress	Cost to Complete
Project Change Orders						
Base & Multiple Bldg. Changes						
CE#044 - PCCO#023 Insurance Extension	\$ 24,834.60	0	0.00	0.00	0.00	24,834.60
PCCO#028 - April Fuel Surcharges	\$ 126.41	100	126.41	126.41	0.00	0.00
PCCO#029 - April Winter Conditions	\$ 943.49	100	943.49	943.49	0.00	0.00
Building A						
CE#043 - PCCO#024 Ground Thaw (Building A)	\$ 19,070.10	100	19,070.10	14,302.58	4,767.52	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building B						
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building C						
CE#047 - PCCO#027 Anchor RTU Storage	\$ 1,260.00	50	630.00	0.00	630.00	630.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building F						
CE#046 - PCCO#026 Anchor Bolts	\$ 475.29	100	475.29	475.29	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building G						
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building H						
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building J						
CE#043 - PCCO#022 Ground Thaw (Building J)	\$ 6,300.00	100	6,300.00	6,300.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Sub-Total Change Orders	\$ 53,009.89	52%	27,545.29	22,147.77	5,397.52	25,464.60
Total Project	\$ 53,009.89	52%	27,545.29	22,147.77	5,397.52	25,464.60

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4753
 Date: 05/31/2023
 Ship Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Invoice for Change Order Tracking Sheet No. 5 - Spreadsheet Attached	G		75,552.75
	Subtotal:			75,552.75
	G - GST 5.00% GST			3,777.64
MERMAC Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	79,330.39
Terms: Net 30. Due 06/30/2023.			Amount Paid	0.00
Comment:			Amount Owing	79,330.39
Sold By:				



Change Order Tracking Sheet - No. 5
 Sage Hill Commons
 3650 Sage Hill Drive. N.W.
 Calgary, AB

	Change Order Amount	% Complete	Progress to Date	Previous Progress	This Progress	Cost to Complete
Project Change Orders						
Base & Multiple Bldg. Changes						
Building A	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building B	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building C	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building F	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building G	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building H	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
Building J	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
	\$ -	0	0.00	0.00	0.00	0.00
General Site						
CE#052 - PCCO#031 Retaining Walls	\$ 116,235.00	65	75,552.75	0.00	75,552.75	40,682.25
	\$ -	0	0.00	0.00	0.00	0.00
Sub-Total Change Orders	\$ 116,235.00	65%	75,552.75	0.00	75,552.75	40,682.25
Total Project	\$ 116,235.00	65%	75,552.75	0.00	75,552.75	40,682.25

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4754
 Date: 05/31/2023
 Shlp Date:
 Page: 1
 Re: Order No.

Sold to:
 Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:
 Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Progress to Date - Progress No. 20	G		7,914,167.40
	Less Progress No. 1 (Inv. 4510 Includes Deposit Received)	G		-744,317.62
	Less Progress No. 2-Revised (Inv. 4525)	G		-307,093.06
	Less Progress No. 3 (Inv. 4532)	G		-850,977.53
	Less Progress No. 4 (Inv. 4552)	G		-137,402.09
	Less Progress No. 5 (Inv. 4585)	G		-77,912.47
	Less Progress No. 6 (Inv. 4594)	G		-215,150.50
	Less Progress No. 7 (Inv. 4620)	G		-175,076.25
	Less Progress No. 8 (Inv. 4634)	G		-138,101.77
	Less Progress No. 9 (Inv. 4643)	G		-360,183.35
	Less Progress No. 10 (Inv. 4652)	G		-219,654.29
	Less Progress No. 11 (Inv. 4666)	G		-223,509.91
	Less Progressive Holdback (Inv. 4676)	G		-112,612.58
	Less Progress No. 12 (Inv. 4677)	G		-676,211.37
	Less Progress No. 13 (Inv. 4687)	G		-391,999.62
	Less Progress No. 14 (Inv. 4694)	G		-197,198.64
	Less Progress No. 15 (Inv. 4707) GC's Adjusted for QS Cutback	G		-269,057.16
	Less Progress No. 16 (Inv. 4717) GC's Adjusted for QS Cutback	G		-173,259.52
	Less Progress No. 17-Revised (Inv. 4730)	G		-452,601.51
	Less Progressive Holdback (Inv. 4733)	G		-87,525.10
	Less Progress No. 18 (Inv. 4736)	G		-258,811.34
	Less Progress No. 19 (Inv. 4748)	G		-514,823.64
	Less 10% Holdback on \$5,912,790.42	G		-591,279.04
	Subtotal:			739,409.04
	G - GST 5.00%			
	GST			36,970.44
MERMAC Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	776,379.48
Terms: Net 30, Due 06/30/2023.			Amount Paid	0.00
Comment:			Amount Owing	776,379.48
Sold By:				

Progress #20

Date: May 31, 2023

**COST BREAKDOWN
Sage Hill Commons Phase 1**

Calgary, AB

	Contract Amount	% Complete	Progress to Date	Previous Progress	This Progress	Cost to Complete
Division 1 - GC's	1,777,476.10	81	1,439,755.64	1,333,107.08	106,648.56	337,720.46
Division 2 - Sitework	2,690,910.29	75	2,018,182.72	1,967,055.42	51,127.30	672,727.57
BUILDING A						
Division 3 - Concrete	133,558.54	100%	133,558.54	133,558.54	0.00	0.00
Division 3 - Slab on grade	29,106.00	35%	10,187.10	6,403.32	3,783.78	18,918.90
Division 4 - Masonry	17,677.70	0%	0.00	0.00	0.00	17,677.70
Division 5 - Metals	162,043.48	100%	162,043.48	162,043.48	0.00	0.00
Division 6 - Woods & Plastics	38,271.67	65%	24,876.59	24,876.59	0.00	13,395.08
Division 7 - Thermal	130,822.71	95%	124,281.57	107,274.62	17,006.95	6,541.14
Division 8 - Doors & Windows	66,106.55	78%	51,563.11	49,579.91	1,983.20	14,543.44
Division 9 - Finishes	80,586.00	95%	76,556.70	76,556.70	0.00	4,029.30
Division 15 - Mechanical	63,813.75	63%	40,202.66	38,288.25	1,914.41	23,611.09
Division 16 - Electrical	50,912.65	37%	18,837.68	12,728.16	6,109.52	32,074.97
Building A Total	772,899.06	83%	642,107.43	611,309.57	30,797.86	130,791.62
BUILDING B						
Division 3 - Concrete	185,011.63	100%	185,011.63	185,011.63	0.00	0.00
Division 3 - Slab on grade	43,236.00	35%	15,132.60	6,485.40	8,647.20	28,103.40
Division 4 - Masonry	40,874.01	0%	0.00	0.00	0.00	40,874.01
Division 5 - Metals	235,698.96	100%	235,698.96	235,698.96	0.00	0.00
Division 6 - Woods & Plastics	44,952.31	65%	29,219.00	29,219.00	0.00	15,733.31
Division 7 - Thermal	168,250.12	95%	159,837.61	151,425.11	8,412.50	8,412.51
Division 8 - Doors & Windows	100,064.16	82%	81,552.29	80,051.33	1,500.96	18,511.87
Division 9 - Finishes	92,691.43	95%	88,056.86	88,056.86	0.00	4,634.57
Division 15 - Mechanical	112,700.43	94%	105,938.40	57,477.22	48,461.18	6,762.03
Division 16 - Electrical	46,417.68	64%	29,707.31	19,959.60	9,747.71	16,710.36
Building B Total	1,069,896.72	87%	930,154.67	853,385.11	76,769.66	139,742.05
BUILDING C						
Division 3 - Concrete	132,790.69	100%	132,790.69	132,790.69	0.00	0.00
Division 3 - Slab on grade	24,474.60	10%	2,447.46	0.00	2,447.46	22,027.14
Division 4 - Masonry	26,373.12	0%	0.00	0.00	0.00	26,373.12
Division 5 - Metals	141,980.78	100%	141,980.78	141,980.78	0.00	0.00
Division 6 - Woods & Plastics	37,330.78	0%	0.00	0.00	0.00	37,330.78
Division 7 - Thermal	102,774.60	50%	51,387.30	26,721.40	24,665.90	51,387.30
Division 8 - Doors & Windows	73,556.17	2%	1,471.12	0.00	1,471.12	72,085.05
Division 9 - Finishes	72,040.63	90%	64,836.57	28,816.25	36,020.32	7,204.06
Division 15 - Mechanical	76,836.63	8%	6,146.93	6,146.93	0.00	70,689.70
Division 16 - Electrical	72,040.63	0%	0.00	0.00	0.00	72,040.63
Building C Total	760,198.62	53%	401,060.85	336,456.06	64,604.80	359,137.77
BUILDING F						
Division 3 - Concrete	470,695.39	80%	376,556.31	178,864.25	197,692.06	94,139.08
Division 3 - Slab on grade	71,301.60	0%	0.00	0.00	0.00	71,301.60
Division 4 - Masonry	0.00	0%	0.00	0.00	0.00	0.00
Division 5 - Metals	788,268.89	3%	23,648.07	23,648.07	0.00	764,620.82
Division 6 - Woods & Plastics	81,635.80	0%	0.00	0.00	0.00	81,635.80
Division 7 - Thermal	371,055.17	5%	18,552.76	0.00	18,552.76	352,502.41
Division 8 - Doors & Windows	685,314.43	0%	0.00	0.00	0.00	685,314.43
Division 9 - Finishes	353,099.74	0%	0.00	0.00	0.00	353,099.74
Division 14 - Conveying	97,416.00	0%	0.00	0.00	0.00	97,416.00
Division 15 - Mechanical	378,544.32	2%	7,570.89	0.00	7,570.89	370,973.43
Division 16 - Electrical	314,344.80	12%	37,721.38	0.00	37,721.38	276,623.42
Building F Total	3,611,676.14	13%	464,049.40	202,512.32	261,637.08	3,147,626.74

BUILDING G						
Division 3 - Concrete	119,702.14	100%	119,702.14	119,702.14	0.00	0.00
Division 3 - Slab on grade	24,549.30	35%	8,592.26	2,454.93	6,137.33	15,957.05
Division 4 - Masonry	27,025.52	0%	0.00	0.00	0.00	27,025.52
Division 5 - Metals	181,532.24	100%	181,532.24	181,532.24	0.00	0.00
Division 6 - Woods & Plastics	46,533.12	80%	37,226.49	27,919.87	9,306.62	9,306.62
Division 7 - Thermal	93,321.22	100%	93,321.22	91,454.79	1,866.43	0.00
Division 8 - Doors & Windows	73,153.32	92%	67,301.05	65,837.99	1,463.06	5,852.27
Division 9 - Finishes	51,811.96	94%	48,703.24	48,703.24	0.00	3,108.72
Division 15 - Mechanical	51,811.96	98%	50,775.72	12,952.99	37,822.73	1,036.24
Division 16 - Electrical	73,939.56	27%	19,963.68	15,527.31	4,436.37	53,975.88
Building G Total	743,380.32	84%	627,118.04	566,085.50	61,032.54	116,262.28
BUILDING H						
Division 3 - Concrete	175,689.64	100%	175,689.64	175,689.64	0.00	0.00
Division 3 - Slab on grade	41,114.70	35%	14,390.15	2,055.74	12,334.41	26,724.56
Division 4 - Masonry	52,799.54	60%	31,679.72	31,679.72	0.00	21,119.82
Division 5 - Metals	299,245.22	100%	299,245.22	299,245.22	0.00	0.00
Division 6 - Woods & Plastics	38,749.65	61%	23,637.29	23,637.29	0.00	15,112.36
Division 7 - Thermal	139,089.17	100%	139,089.17	91,798.85	47,290.32	0.00
Division 8 - Doors & Windows	113,664.37	47%	53,422.25	52,285.61	1,136.64	60,242.12
Division 9 - Finishes	72,061.47	95%	68,458.40	54,046.10	14,412.30	3,603.07
Division 15 - Mechanical	72,061.47	56%	40,354.42	16,574.14	23,780.28	31,707.05
Division 16 - Electrical	116,664.27	21%	24,499.50	17,499.64	6,999.86	92,164.77
Building H Total	1,121,139.51	78%	870,466.76	764,511.95	105,953.81	260,673.75
BUILDING J						
Division 3 - Concrete	112,191.54	100%	112,191.54	112,191.54	0.00	0.00
Division 3 - Slab on grade	21,251.70	35%	7,438.10	2,125.17	5,312.93	13,813.61
Division 4 - Masonry	4,519.72	0%	0.00	0.00	0.00	4,519.72
Division 5 - Metals	121,932.12	100%	121,932.12	121,932.12	0.00	0.00
Division 6 - Woods & Plastics	33,396.88	62%	20,706.07	20,706.07	0.00	12,690.82
Division 7 - Thermal	82,878.42	100%	82,878.42	74,590.58	8,287.84	0.00
Division 8 - Doors & Windows	97,900.00	40%	39,160.00	37,202.00	1,958.00	58,740.00
Division 9 - Finishes	62,260.04	95.0%	59,147.04	45,138.53	14,008.51	3,113.00
Division 15 - Mechanical	52,932.04	95%	50,285.44	25,936.70	24,348.74	2,646.60
Division 16 - Electrical	57,362.84	48%	27,534.16	18,356.11	9,178.05	29,828.68
Building J Total	646,625.32	81%	621,272.89	458,178.82	63,094.07	125,352.43
Sub-Total	13,194,202.07	60.0%	7,914,167.40	7,092,601.82	821,565.58	5,280,034.67
Cash Allowances						
a. Pylon Signage	160,930.00	0	0.00	0.00	0.00	160,930.00
b. Artwork	27,500.00	0	0.00	0.00	0.00	27,500.00
Sub-Total Cash Allowances	188,430.00	0%	0.00	0.00	0.00	188,430.00
Change Orders - To be Invoiced Separately						
Total Contract Price	13,382,632.07		7,914,167.40	7,092,601.82	821,565.58	5,468,464.67
Soft Costs						
	0.00	0	0.00	0.00	0.00	0.00
	0.00	0	0.00	0.00	0.00	0.00
Total Project	13,382,632.07	59.1%	7,914,167.40	7,092,601.82	821,565.58	5,468,464.67

Appendix C

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4724

02/28/2023

1 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Invoice for Change Order Tracking Sheet No. 1 -	G	491,928.14
Spreadsheet Attached		
Less Previously Invoiced	G	-404,496.95
Subtotal:		87,431.19
G - GST 5.00%		
GST		4,371.56

Terms: Net 30. Due 03/30/2023.

MERMAC Construction Ltd. GST: #10364 2872 RT

91,802.75

Sold By: Robinson, Michael

MERMAC Construction Ltd.
4799 - 68 Avenue S.E.
Calgary, Alberta T2C 5C1
Canada

4703

12/30/2022

1 of 1

Sage Property Development Inc. (ONSITE)
594 Saddlecreek Way N.E.
Calgary, AB T3J 4A4
Canada

Sage Property Development Inc. (ONSITE)
Onsite
3650 Sage Hill Drive N.W.
Calgary, AB
Canada

Invoice for Change Order Tracking Sheet No. 2 -	G	35,718.39
Spreadsheet Attached		
Less Previously Invoiced	G	-19,548.39
Subtotal:		16,170.00
G - GST 5.00%		
GST		808.50

Terms: Net 30. Due 01/29/2023.

MERMAC Construction Ltd: GST: #10364 2872 RT

16,978.50

Sold By: Robinson, Michael

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4742
 Date: 04/28/2023
 Shlp Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Invoice for Change Order Tracking Sheet No. 3 - Spreadsheet Attached	G		91,148.19
	Less Previously Invoiced	G		-89,969.53
	Subtotal:			1,178.66
	G - GST 5.00%			58.93
	GST			
MERMAC Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	1,237.59
Terms: Net 30. Due 05/28/2023.			Amount Paid	0.00
Comment:			Amount Owng	1,237.59
Sold By: Robinson, Michael				

10364 2872 RT

MERMAC Construction Ltd.

4799 - 68th Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4752
 Date: 05/31/2023
 Ship Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Invoice for Change Order Tracking Sheet No. 4 - Spreadsheet Attached	G		27,545.29
	Less Previously Invoiced	G		-22,147.77
	Subtotal:			5,397.52
	G - GST 5.00%			269.87
	GST			
MERMAC Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	5,667.39
Terms: Net 30. Due 06/30/2023.			Amount Paid	0.00
Comment:			Amount Owning	5,667.39
Sold By:				

MERMAC Construction Ltd.

4799 - 68 Avenue S.E.
 Calgary, Alberta T2C 5C1
 Canada

INVOICE

Invoice No.: 4753
 Date: 05/31/2023
 Ship Date:
 Page: 1
 Re: Order No.

Sold to:

Sage Property Development Inc. (ONSITE)
 594 Saddlecreek Way N.E.
 Calgary, AB T3J 4A4
 Canada

Ship to:

Sage Property Development Inc. (ONSITE)
 Onsite
 3650 Sage Hill Drive N.W.
 Calgary, AB
 Canada

Business No.: 10364 2872 RT0001

Quantity	Description	Tax	Unit Price	Amount
	Invoice for Change Order Tracking Sheet No. 5 - Spreadsheet Attached	G		75,552.75
	Subtotal:			75,552.75
	G - GST 5.00%			3,777.64
	GST			
MERMAC Construction Ltd. GST: #10364 2872 RT				
Shipped By: Tracking Number:			Total Amount	79,330.39
Terms: Net 30. Due 06/30/2023.			Amount Paid	0.00
Comment:			Amount Owing	79,330.39
Sold By:				